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The Honorable Bob Goodlatte, Chairman

Testimony by Secretary Jennifer Reinert
Wisconsin Department of Workforce Development
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Introduction

Good afternoon, Mr. Chairman and members of the Subcommittee. I am Jennifer Reinert, Secretary of the State of Wisconsin's Department of Workforce Development. I would like to thank Chairman Goodlatte, Ranking Member Clayton and the other members of the Subcommittee for the opportunity to testify on the subject of the administration of the Food Stamp Program.

Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, dramatic numbers of people in our state have moved off the cash assistance rolls and have found and retained employment. In Wisconsin today, less than 7,000 families now receive cash assistance.

As welfare reform has progressed and more people have moved into the workforce, the provision of support services has become a key part of the package necessary to ensure job retention as families continue their efforts toward full self-sufficiency.

In Wisconsin, we have been able to expand health care benefits to low-income working families through a federal/state partnership called BadgerCare. As a result, more than 115,000 children and their parents have Medicaid coverage. This represents a 30 percent increase in covered families in the last two years.

We have also been able to secure and streamline federal matching funds to greatly expand available quality child care services. Wisconsin now serves more than 42,000 children from 24,000 families through Wisconsin Shares, our child care subsidy program for low-income working families. This represents a 40 percent increase in the child care subsidy program over the last two years.

Unfortunately, our ability to meet the needs of working families and promote good customer service when it comes to the Food Stamp Program has not kept up with these

other programs. Instead, Wisconsin, similar to other states, has been hampered by the fact that Food Stamp Program policies, which can be difficult to implement under the best of circumstances, have become even more challenging as people have entered the workforce and have fluctuating income and expenses. In particular, requirements such as face-to-face interviews, verification and documentation of voluminous data, frequency of reporting changes in household circumstances, and frequency of redetermination of eligibility are impediments to program participation and good customer service.

Wisconsin Efforts to Overcome Current Impediments

Wisconsin has been working very aggressively to overcome these challenges in order to ensure we are providing appropriate services to those who are eligible for them. In particular, Wisconsin has stepped up outreach efforts and increased access points to make application to the program easier, such as outstationing eligibility workers at non-traditional community sites. As a result, while participation in the Food Stamp Program has continued to decline nationally, we have seen a 10 percent increase over the past year, which is one of the largest increases in the country. More than 216,000 people are now participating in the program, the most since June of 1997.

In addition, Wisconsin has been highly successful in converting from the paper coupon system to the Electronic Benefit Transfer plastic debit card. Our conversion took place in 2000. While virtually all other states saw a decline in program participation during conversion to the EBT system, our caseload continued to grow, including families and disabled individuals, due to extensive up-front public education and outreach coordinated by our state and local agencies and community advocate groups, all working together.

Nevertheless, the ability of Wisconsin to manage the Food Stamp Program as effectively and efficiently as possible, in order to ensure that the needs of participants are made met, is severely limited by the program's current parameters.

For instance, the federal policy limits the amount of "liquid assets" a household can have in order to qualify for food stamps: \$2,000 for those under age 60, \$3,000 when someone in the household is 60 or older. This policy requires the applicant to provide verification from a reliable source, such as a car dealer, of the value of any vehicles he or she owns, documentation of savings and checking accounts, savings bonds, burial funds, retirement accounts, children's trust funds. . . the list goes on and on. This is similar to what a bank requires of any of us when we apply for a home mortgage. However, this scenario is repeated every 6 or 12 months when a program participant must be "recertified."

What is the result of this investment of time and energy on the part of a program participant? According to a recent report by the United States Department of Agriculture, the "countable" assets in an average Food Stamp case is only about \$140.

This is just one example of the complex requirements of the Food Stamp Program and the burdens that are placed on program participants. I believe it illustrates the point that significant changes are needed in the Food Stamp Program to simplify access and services for participants, to streamline administration, and to reinforce work incentives.

Suggested Program Modifications

So, what needs to happen? The key change that is needed is to "update" the Food Stamp Program and bring it in line with the other programs that touch the lives of those in need: Temporary Assistance for Needy Families (TANF) programs, Medicaid, and Child Care. In particular, changes need to be made to the eligibility determination and application processes, and additional flexibility needs to be built into the program.

Therefore, Wisconsin supports the American Public Human Services Association (APHSA) recommendations, which include:

- Simplifying the process for calculating Food Stamp benefits, including standardized housing cost deductions.
- Simplifying application processing, change reporting, and re-certifications.
- Either 1) eliminating the asset test, 2) raising the asset limit, or 3) allowing states to use their TANF or Medicaid limits, whichever is higher. Wisconsin prefers eliminating the asset test.
- Simplifying household composition rules.
- Providing a 6-month transitional Food Stamp benefit when an increase in earnings causes the case to become ineligible, similar to Medicaid transitional benefits.
- Encouraging program participation by seniors and disabled individuals by setting minimum benefits greater than the current \$10 per month.
- Enhancing employment and training programs, including adequate funding, to encourage self-sufficiency.
- Increasing federal matching share for state efforts to improve outreach and participation, similar to Medicaid enhanced funding provided by the Department of Health and Human Services.

I should point out to you that in Wisconsin, there is broad consensus that the Food Stamp Program must be simplified in order to reach the target population and streamline administration to better serve our customers. The recommendations presented to you today, as well as some others, reflect the consensus opinion of a Food Stamp Policy Workgroup in our state. Members of the workgroup include a number of

family, nutrition and local advocate agencies and organizations (including the Hunger Task Force of Milwaukee, Community Action Agencies, Wisconsin Council on Children & Families, and University of Wisconsin-Extension), local and state government stakeholders, and retail food distributor representatives.

Summary

In short, Wisconsin believes that the Food Stamp Program needs to be overhauled in order to improve customer service, streamline administration, and to allow states the flexibility to provide coherent, coordinated services to low-income participants. Clearly, such changes can only be of benefit to participants, many of whom have taken the first and necessary steps to achieve self-sufficiency by entering the world of work and yet find the Food Stamp Program has not kept pace with their achievements.

Thank you for providing this opportunity to me to testify today about the Food Stamp Program. I would be happy to respond to any questions you may have.